

104TH CONGRESS  
1ST SESSION

# S. 1180

To amend title XIX of the Public Health Service Act to provide for health performance partnerships, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

AUGUST 10 (legislative day, JULY 10), 1995

Mrs. KASSEBAUM introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

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## A BILL

To amend title XIX of the Public Health Service Act to provide for health performance partnerships, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE, REFERENCES, AND TABLE OF**  
4 **CONTENTS.**

5 (a) SHORT TITLE.—This Act may be cited as the  
6 “SAMHSA Reauthorization, Flexibility Enhancement,  
7 and Consolidation Act of 1995”.

8 (b) REFERENCES IN ACT.—Except as otherwise ex-  
9 pressly provided, whenever in this Act an amendment or  
10 repeal is expressed in terms of an amendment to, or repeal

1 of, a section or other provision, the reference shall be con-  
 2 sidered to be made to a section or other provision of the  
 3 Public Health Service Act (42 U.S.C. 201 et seq.).

4 (c) TABLE OF CONTENTS.—The table of contents for  
 5 this Act is as follows:

Sec. 1. Short title, references, and table of contents.

#### TITLE I—MENTAL HEALTH

- Sec. 101. Replacement of State plan program with performance partnerships.
- Sec. 102. Review by planning council of State's report.
- Sec. 103. State opportunity to correct or mitigate failure to maintain effort.
- Sec. 104. Funding for organizations that are for-profit.
- Sec. 105. Authorization of appropriation.
- Sec. 106. Data collection, technical assistance, and evaluations.
- Sec. 107. Projects for assistance in transition from homelessness.
- Sec. 108. Priority mental health needs of regional and national significance.
- Sec. 109. Repeals.
- Sec. 110. Comprehensive community services for children with a serious emotional disturbance.
- Sec. 111. Reauthorization of the Access Program.

#### TITLE II—SUBSTANCE ABUSE

- Sec. 201. Replacement of State plan program with performance partnerships.
- Sec. 202. Allocations regarding primary prevention and womens programs.
- Sec. 203. Tuberculosis and HIV.
- Sec. 204. Group homes for recovering substance abusers.
- Sec. 205. State substance abuse prevention and treatment planning council.
- Sec. 206. Additional agreements.
- Sec. 207. State opportunity to correct or mitigate failure to maintain effort.
- Sec. 208. Funding for organizations that are for-profit.
- Sec. 209. Authorization of appropriations.
- Sec. 210. Data collection, technical assistance, and evaluations.
- Sec. 211. Priority substance abuse prevention and treatment needs of regional and national significance.
- Sec. 212. Repeals.

#### TITLE III—GENERAL PROVISIONS

- Sec. 301. Reporting by States on performance.
- Sec. 302. On site performance reviews.
- Sec. 303. Additional year for obligation by State.
- Sec. 304. Definitions.
- Sec. 305. Repeal of obsolete provisions concerning allocations.
- Sec. 306. Repeal of obsolete addict referral provisions.
- Sec. 307. Regulations.
- Sec. 308. Advisory councils.
- Sec. 309. Report on development of partnerships and use of grants.

TITLE IV—REAUTHORIZATION OF PROTECTION AND ADVOCACY  
FOR MENTALLY ILL INDIVIDUALS ACT OF 1986

Sec. 401. Short title.  
Sec. 402. Reauthorization.  
Sec. 403. Allotment formula.

TITLE V—REAUTHORIZATION OF CERTAIN INSTITUTES

Sec. 501. Reauthorization of certain Institutes.

TITLE VI—TRANSITION PROVISIONS AND EFFECTIVE DATES

Sec. 601. Transition provisions and effective dates.

1       **TITLE I—MENTAL HEALTH**

2       **SEC. 101. REPLACEMENT OF STATE PLAN PROGRAM WITH**  
3                               **PERFORMANCE PARTNERSHIPS.**

4           (a) ELIMINATION OF STATE PLAN PROGRAM RE-  
5       QUIREMENTS.—Subpart I of Part B of title XIX (42  
6       U.S.C. 300x-1 et seq.) is amended by repealing sections  
7       1911, 1912, and 1913.

8           (b) PERFORMANCE PARTNERSHIP FRAMEWORK.—  
9       Subpart I of Part B of title XIX (as amended by sub-  
10       section (a) is further amended by inserting after the sub-  
11       part heading the following new sections:

12       **“SEC. 1911. PERFORMANCE PARTNERSHIP GOALS AND**  
13                               **OBJECTIVES.**

14           “(a) GOALS.—

15               “(1) IN GENERAL.—It is the goal of this sub-  
16       part for the States and the Federal Government,  
17       working together in a partnership, to improve the  
18       quality of life of adults with a serious mental illness  
19       and children with a serious emotional disturbance,

1 and to improve the overall mental health of United  
2 States citizens, by—

3 “(A) promoting access to comprehensive  
4 community mental health services for adults  
5 with a serious mental illness and children with  
6 a serious emotional disturbance; and

7 “(B) increasing the development of sys-  
8 tems of integrated comprehensive community  
9 based services for adults with a serious mental  
10 illness and children with a serious emotional  
11 disturbance.

12 “(2) SYSTEMS OF INTEGRATED COMPREHEN-  
13 SIVE COMMUNITY BASED SERVICES.—As used in  
14 paragraph (1)(B), the term ‘systems of integrated  
15 comprehensive community based services’ means in-  
16 tegrated systems of care that would enable children  
17 and adults to receive care appropriate for their mul-  
18 tiple needs. With respect to children, such integrated  
19 systems of care shall ensure the provision, in a col-  
20 laborative manner, of mental health, substance  
21 abuse, education and special education, juvenile jus-  
22 tice, health, and child welfare services. With respect  
23 to adults, such integrated systems of care shall en-  
24 sure the provision, in a collaborative manner, of  
25 mental health, vocational rehabilitation, housing,

1 criminal justice, health, and substance abuse serv-  
2 ices.

3 “(b) PERFORMANCE PARTNERSHIP OBJECTIVES.—

4 “(1) ESTABLISHMENT.—Not later than October  
5 1 of the fiscal year prior to the fiscal year in which  
6 this section becomes effective as provided for in sec-  
7 tion 601(c) of the SAMHSA Reauthorization, Flexi-  
8 bility Enhancement, and Consolidation Act of 1995,  
9 the Secretary, in consultation with the States, local  
10 governments, Indian tribes, health care providers,  
11 consumers, and families, shall establish, and as nec-  
12 essary, periodically revise—

13 “(A) a list of performance partnership ob-  
14 jectives to carry out the goals of this subpart,  
15 and

16 “(B) a core set of not more than five of  
17 such objectives that address mental health  
18 problems of national significance.

19 “(2) REQUIREMENTS.—Each performance part-  
20 nership objective established under paragraph (1)  
21 shall include—

22 “(A) a performance indicator;

23 “(B) the specific population being ad-  
24 dressed;

25 “(C) a performance target; and

1           “(D) a date by which the target level is to  
2           be achieved.

3           “(3) PRINCIPLES.—In establishing the perform-  
4           ance partnership objectives under paragraph (1), the  
5           Secretary shall be guided by the following principles:

6           “(A) The objectives should be closely relat-  
7           ed to the goals of this subpart, and be viewed  
8           as important by and understandable to State  
9           policymakers and the general public.

10          “(B) Objectives should be results-oriented,  
11          including a suitable mix of outcome, process  
12          and capacity measures.

13          “(C) In the case of an objective that has  
14          suitable outcome measures, measurable  
15          progress in achieving the objective should be ex-  
16          pected over the period of the grant.

17          “(D) In the case of an objective that has  
18          suitable process or capacity measures, such ob-  
19          jective should be demonstrably linked to the  
20          achievement of, or demonstrate the potential to  
21          achieve, a mental health outcome.

22          “(E) Data to track the objective should, to  
23          the extent practicable, be comparable for all  
24          grant recipients, meet reasonable statistical  
25          standards for quality, and be available in a

1           timely fashion, at appropriate periodicity, and  
2           at reasonable cost.

3           “(c) DEFINITIONS.—

4           “(1) ESTABLISHMENT BY SECRETARY OF DEFINITIONS; DISSEMINATION.—For purposes of this  
5           subpart, the definitions established on May 20,  
6           1993, for the terms ‘adults with a serious mental ill-  
7           ness’ and ‘children with a serious emotional disturb-  
8           ance’ shall apply unless such definitions are revised  
9           by the Secretary. The Secretary shall disseminate  
10          the definitions to the States.

12          “(2) STANDARDIZED METHODS.—The Secretary  
13          shall establish standardized methods for applying  
14          the definitions in paragraph (1). A funding agree-  
15          ment for a grant under this subpart for the State  
16          is that the State will utilize such methods in making  
17          such estimates.

18          “(3) DATE CERTAIN FOR COMPLIANCE BY SEC-  
19          RETARY.—Not later than 90 days after the date of  
20          the enactment of this section, the Secretary shall es-  
21          tablish the standardized methods described in para-  
22          graph (2).

1 **“SEC. 1912. STATE PERFORMANCE PARTNERSHIP PRO-**  
2 **POSAL.**

3 “(a) IN GENERAL.—To be eligible to receive a grant  
4 under this subpart, a State shall, in accordance with this  
5 section, prepare and submit to the Secretary a perform-  
6 ance partnership proposal.

7 “(b) ELEMENTS RELATED TO PERFORMANCE OB-  
8 JECTIVES.—A State proposal submitted under subsection  
9 (a) shall contain—

10 “(1) a list of one or more objectives (derived  
11 from the performance partnership objectives estab-  
12 lished under section 1911(b)), including at least one  
13 objective in the children’s area, toward which the  
14 State will work and a performance target for each  
15 objective which the State will seek to achieve by the  
16 end of the partnership period;

17 “(2) a rationale for the State’s selection of ob-  
18 jectives, including any performance targets, and  
19 timeframes;

20 “(3) a statement of the State’s strategies for  
21 achieving the objectives over the course of the grant  
22 period and evidence that the actions taken under a  
23 partnership agreement will have an impact on the  
24 objective;

25 “(4) a statement of the amount to be expended  
26 to carry out each strategy; and



1           “(5) an assurance that the State will report an-  
2           nually on all core performance objectives established  
3           under section 1911(b)(1)(B) (regardless of whether  
4           it is working toward those objectives) and the spe-  
5           cific objectives toward which the State will work  
6           under the performance partnership.

7   A State may select an objective that is not an established  
8   performance partnership objective under section 1911 if  
9   the State demonstrates to the Secretary that the objective  
10   relates to a significant mental health problem in the State  
11   that would not otherwise be appropriately addressed. The  
12   Secretary may require that objectives and requirements be  
13   developed by the State in a manner consistent with the  
14   requirements of paragraphs (2) and (3) of section  
15   1911(b).

16       “(c) TRANSITION PROVISION.—A State may select  
17   objectives under this section which have solely process or  
18   capacity measures until such time as data sets are deter-  
19   mined by the Secretary to be readily available, sufficient,  
20   and relevant under section 601(a) of the SAMHSA Reau-  
21   thorization, Flexibility Enhancement, and Consolidation  
22   Act of 1995, to make outcome measurements for objec-  
23   tives developed by the Secretary.

1 **“SEC. 1913. FEDERAL-STATE PERFORMANCE PARTNERSHIP.**

2 “(a) NEGOTIATIONS CONCERNING STATE PRO-  
3 POSAL.—

4 “(1) REASONABLE EFFORTS TO AGREE.—A  
5 State submitting a proposal under section 1912 and  
6 the Secretary shall make all reasonable efforts to  
7 agree on a performance partnership pursuant to  
8 which the State shall expend amounts received under  
9 a grant provided under this subpart.

10 “(2) DUTIES OF SECRETARY.—In negotiations  
11 conducted under paragraph (1) concerning the pro-  
12 posal of a State, the Secretary shall consider the ex-  
13 tent to which the proposed objectives, performance  
14 targets, timeframes, and strategies of the State are  
15 likely to address appropriately the most significant  
16 mental health problems (as measured by applicable  
17 indicators) within the State.

18 “(b) PARTNERSHIP PERIOD.—The Secretary, in con-  
19 sultation with a State receiving a grant under this sub-  
20 part, shall set the duration of the partnership with the  
21 State. Initial and subsequent partnership periods shall not  
22 be less than 3 nor more than 5 years, except that the Sec-  
23 retary may agree to a partnership period of less than 3  
24 years where a State demonstrates to the satisfaction of  
25 the Secretary that such shorter period is appropriate in  
26 light of the particular circumstances of that State.

1 “(c) ASSESSMENT AND ADJUSTMENT.—

2 “(1) ASSESSMENTS.—The Secretary shall annu-  
3 ally assess—

4 “(A) the progress achieved nationally to-  
5 ward each of the core objectives established  
6 under section 1911(b)(1)(B); and

7 “(B) in consultation with each State, the  
8 progress of the State toward each objective  
9 agreed upon in the performance partnership  
10 under subsection (a);

11 and make such assessment publicly available.

12 “(2) STATE ASSESSMENTS.—In carrying out  
13 paragraph (1)(B), the Secretary shall take into con-  
14 sideration such qualitative assessments of perform-  
15 ance as may be provided by each State pursuant to  
16 section 1942(a)(3).

17 “(3) ADJUSTMENTS.—With respect to a per-  
18 formance partnership under subsection (a), the Sec-  
19 retary and the State may at any time in the course  
20 of the partnership period renegotiate, and revise by  
21 mutual agreement, the elements of the partnership  
22 to account for new information or changed cir-  
23 cumstances (including information or changes identi-  
24 fied during assessments under paragraph (1)).

25 “(d) GRANTS TO STATES; USE OF FUNDS.—

1           “(1) GRANTS.—The Secretary shall award a  
2       grant to each State that—

3                   “(A) has reached a performance partner-  
4           ship agreement with the Secretary under sub-  
5           section (a); and

6                   “(B) is carrying out activities in accord-  
7           ance with the terms of such partnership;  
8       in an amount that is equal to the allotment of the  
9       State under section 1918. Grants shall be awarded  
10      for each fiscal year for which the partnership is in  
11      effect.

12           “(2) USE OF FUNDS.—Funds paid to a State  
13      under a grant described in paragraph (1) may be  
14      used by the State only for the purpose of carrying  
15      out this subpart (including related data collection,  
16      evaluation, planning, administration, and edu-  
17      cational activities).”.

18      (c) ADDITIONAL GENERAL PROVISIONS CONCERNING  
19      PARTNERSHIPS.—Section 1917 (42 U.S.C. 300x-6) is  
20      amended—

21           (1) by striking the section heading;

22           (2) by striking “application” each place that  
23      such term appears and inserting “proposal”;

24           (3) in subsection (a)—

1 (A) in the subsection heading, by striking  
2 “(a) IN GENERAL.—” and all that follows  
3 through paragraph (1) and inserting “(d) AD-  
4 DITIONAL ELEMENTS.—A State proposal is in  
5 accordance with this subsection if—”;

6 (B) in paragraph (3), by inserting “pro-  
7 posed performance partnership and” before  
8 “agreements”;

9 (C) in paragraph (5), by striking “the ap-  
10 plication contains the plan required in section  
11 1912(a),”;

12 (D) in paragraph (7), by striking “includ-  
13 ing the plan under section 1912(a))”;

14 (E) by redesignating paragraphs (2)  
15 through (4), and paragraphs (6) and (7) as  
16 paragraphs (1) through (5), respectively; and

17 (F) by transferring such subsection to sec-  
18 tion 1912 (as added by subsection (b)) and in-  
19 serting such subsection at the end of such sec-  
20 tion; and

21 (4) in subsection (b)—

22 (A) by transferring such subsection to sec-  
23 tion 1913 (as added by subsection (b));

24 (B) by inserting such subsection at the end  
25 of such section 1913; and

1 (C) by redesignating such subsection as  
2 subsection (e).

3 (d) DEFINITIONS.—Section 1919 (42 U.S.C. 300x–  
4 8) is amended by adding at the end thereof the following  
5 new paragraphs:

6 “(3) The term ‘performance indicator’ means a  
7 quantifiable characteristic used as a measurement.

8 “(4) The term ‘performance target’ means a  
9 numerical value sought to be achieved within a spec-  
10 ified period of time.”.

11 (e) CONFORMING AMENDMENTS.—Title XIX is  
12 amended—

13 (1) in the heading to subpart I of part B (42  
14 U.S.C. 300x–1), by striking “**Block**” and inserting  
15 “**Performance Partnership**”;

16 (2) in section 1914(b)(1) (42 U.S.C. 300x–  
17 3(b)(1)), by striking “plans” each place that such  
18 appears and inserting “performance partnerships”;

19 (3) in section 1915(a) (42 U.S.C. 300x–4(a))—

20 (A) in the subsection heading, by striking  
21 “PLAN” in the subsection heading and inserting  
22 “PERFORMANCE PARTNERSHIP”; and

23 (B) by striking “plan” each place that  
24 such appears and inserting “performance part-  
25 nership”;

1 (4) in subpart III of part B (300x–51 et seq.),  
 2 by striking “section 1911” each place that such ap-  
 3 pears, and inserting “subpart I”.

4 (5) in section 1941 (42 U.S.C. 300x–51)—

5 (A) in the section heading, by striking  
 6 “**PLANS**” and inserting “**PERFORMANCE**  
 7 **PARTNERSHIPS**”; and

8 (B) by striking “plan” each place that  
 9 such appears and inserting “performance part-  
 10 nership”;

11 (6) in section 1944(b)(3) (42 U.S.C. 300x–  
 12 54(b)(3)), by striking “1912(d) or”; and

13 (7) in section 1945(d)(2)(A) (42 U.S.C. 300x–  
 14 55(d)(2)(A)), by striking “the condition established  
 15 in section 1912(d) and”.

16 (f) CONFORMING AMENDMENT TO TITLE V.—Section  
 17 520(b) (42 U.S.C. 2900bb–31(b)) is amended—

18 (1) by striking paragraph (5); and

19 (2) by redesignating paragraphs (6) through  
 20 (14) as paragraphs (5) through (13), respectively.

21 **SEC. 102. REVIEW BY PLANNING COUNCIL OF STATE’S RE-**  
 22 **PORT.**

23 Section 1915(a)(1) (42 U.S.C. 300x–4(a)(1)) is  
 24 amended by inserting “(and the report of the State under

1 section 1942(a) concerning the preceding fiscal year)”  
2 after “to the grant”.

3 **SEC. 103. STATE OPPORTUNITY TO CORRECT OR MITIGATE**  
4 **FAILURE TO MAINTAIN EFFORT.**

5 Section 1915(b)(3)(A) (42 U.S.C. 300x-4(b)(3)(A))  
6 is amended by striking the second sentence and inserting  
7 the following new sentences: “If the Secretary determines  
8 that a State has failed to maintain such compliance, the  
9 Secretary may permit the State, not later than 1 year  
10 after notification, to correct or mitigate the noncompli-  
11 ance. If the State does not carry out a correction or miti-  
12 gation as specified by the Secretary (or if the Secretary  
13 decided it was not appropriate to provide that oppor-  
14 tunity), the Secretary shall reduce the amount of the grant  
15 under this subpart for the State for the current fiscal year  
16 by an amount equal to the amount constituting such fail-  
17 ure.”.

18 **SEC. 104. FUNDING FOR ORGANIZATIONS THAT ARE FOR-**  
19 **PROFIT.**

20 Section 1916(a)(5) (42 U.S.C. 300x-5(a)(5)) is  
21 amended by inserting before the period the following: “,  
22 unless the State determines that it is appropriate and ben-  
23 eficial for a for-profit private entity to receive assistance  
24 to facilitate the integration of the State Medicaid program



1 or mental health managed care programs under title XIX  
2 of the Social Security Act)”.  
3

4 **SEC. 105. AUTHORIZATION OF APPROPRIATION.**

5 Section 1920(a) (42 U.S.C. 300x-9(a)) is amended  
6 by striking “\$450,000,000” and all that follows through  
7 the end thereof and inserting “\$280,000,000 for fiscal  
8 year 1996, and such sums as may be necessary for each  
9 of the fiscal years 1997 through 1999.”.

10 **SEC. 106. DATA COLLECTION, TECHNICAL ASSISTANCE,  
11 AND EVALUATIONS.**

12 (a) RESERVED FUNDS.—Section 1920(b) (42 U.S.C.  
13 300x-9(b)) is amended to read as follows:

14 “(b) RESERVED FUNDS.—

15 “(1) IN GENERAL.—The Secretary shall reserve  
16 5 percent of the amounts appropriated for a fiscal  
17 year under subsection (a)—

18 “(A) to carry out sections 505 (providing  
19 for data collection) and 1948(a) (providing for  
20 technical assistance to States) with respect to  
21 mental health; and

22 “(B) to conduct evaluations concerning  
23 programs supported under this subpart.

24 The Secretary may carry out activities funded pur-  
25 suant to this subsection directly, or through grants,  
contracts, or cooperative agreements.

1           “(2) DATA COLLECTION INFRASTRUCTURE.—In  
2       carrying out this subsection, the Secretary shall  
3       make available grants and contracts to States for  
4       the development and strengthening of State core ca-  
5       pacity (including infrastructure) for data collection  
6       and evaluation.”.

7       (b) DATA COLLECTION AUTHORITY.—Section 505(a)  
8       (42 U.S.C. 290aa-4(a)) is amended—

9           (1) in paragraph (1), by striking “and” at the  
10      end thereof;

11          (2) in paragraph (2), by striking the period at  
12      the end thereof and inserting “; and”; and

13          (3) by adding at the end the following:

14          “(3) other factors as needed to carry out part  
15      B of title XIX.

16      The Secretary may conduct activities under this sub-  
17      section directly, or through grants, contracts, or coopera-  
18      tive agreements.”.

19      (c) CONFORMING AMENDMENT.—Section 1948(a)  
20      (42 U.S.C. 300x-58(a)) is amended by striking “through  
21      contract, or through grants” and inserting “or through  
22      grants, contracts, or cooperative agreements”.

1 **SEC. 107. PROJECTS FOR ASSISTANCE IN TRANSITION**  
2 **FROM HOMELESSNESS.**

3 (a) PURPOSE OF GRANTS.—Section 522(b) of the  
4 Public Health Service Act (42 U.S.C. 290cc-22(b)) is  
5 amended—

6 (1) in paragraph (10)—

7 (A) in subparagraph (F), by striking  
8 “and” at the end thereof; and

9 (B) by adding at the end thereof the fol-  
10 lowing new subparagraph:

11 “(H) providing ongoing assistance for rent-  
12 al payments and the costs of living in such set-  
13 tings when such housing is considered to be in-  
14 tegral for the treatment of mentally ill homeless  
15 individuals committed to treatment in out-  
16 patient settings; and”;

17 (2) by redesignating paragraph (11) as para-  
18 graph (12); and

19 (3) by inserting after paragraph (10), the fol-  
20 lowing new paragraph:

21 “(11) education of the judiciary regarding the  
22 manifestations of mental illness which are indica-  
23 tions for committing the mentally ill homeless to in-  
24 patient or outpatient treatment in accordance with  
25 existing State commitment statutes for the mentally  
26 ill; and”.

1 (b) INCENTIVE GRANTS.—Part C of title V of the  
 2 Public Health Service Act (42 U.S.C. 290cc–21 et seq.)  
 3 is amended—

4 (1) by inserting after the part heading the fol-  
 5 lowing:

6 **“SUBPART I—FORMULA GRANTS FOR MEDICAL**  
 7 **AND SUPPORTIVE SERVICES FOR THE MEN-**  
 8 **TALLY ILL HOMELESS”;** and

9 (2) by inserting after section 529 (42 U.S.C.  
 10 290cc–29) the following:

11 **SUBPART II—INCENTIVE GRANTS FOR STATE TO**  
 12 **IMPROVE THEIR OUTPATIENT COMMITMENT**  
 13 **TREATMENT SYSTEMS AND COMMITMENT**  
 14 **LAWS**

15 **“SEC. 529A. INCENTIVE GRANTS FOR STATE TO IMPROVE**  
 16 **THEIR OUTPATIENT COMMITMENT TREAT-**  
 17 **MENT SYSTEMS AND COMMITMENT LAWS.**

18 “(a) IN GENERAL.—Beginning in fiscal year 1998,  
 19 the Secretary may make a grant to or enter into a contract  
 20 with a State or territory under this section for the purpose  
 21 of providing the services described in subsection (b) to in-  
 22 dividuals who—

23 “(1) are suffering from serious mental illness;  
 24 and

1           “(2) have been committed to outpatient treat-  
2           ment in accordance with State or territory commit-  
3           ment laws for the mentally ill because such individ-  
4           uals have been found to be gravely disabled as a re-  
5           sult of their mental illness.

6           “(b) SPECIFICATION OF SERVICES.—The services de-  
7           scribed in this subsection are—

8           “(1) mental health services in outpatient set-  
9           tings;

10          “(2) outreach services; and

11          “(3) case management to assure that individ-  
12          uals remain in treatment and to assist individuals  
13          with supportive and supervisory residential settings.

14          “(c) APPLICATION.—To be eligible to receive a grant  
15          or contract under this section, a State or territory shall  
16          prepare and submit to the Secretary an application at  
17          such time, in such manner, and containing such informa-  
18          tion as the Secretary may require, including—

19          “(1) an agreement that the State or territory  
20          will ensure that payments under the grant will be  
21          expended by the State or territory or through grants  
22          made by the State or territory to political subdivi-  
23          sions of the State or territory and to nonprofit pri-  
24          vate entities;

1           “(2) a description of the performance objectives  
2           that the project to be funded under the grant will  
3           be measured against, and that a recipient of the  
4           grant under this section shall meet; and

5           “(3) an assurance that the State or territory  
6           will meet information requirements as specified by  
7           the Secretary.

8           “(d) SPECIAL RULE.—

9           “(1) IN GENERAL.—The Secretary may not  
10          award a grant or contract to a State or territory  
11          under this subpart unless the State or territory in-  
12          volved has in effect on the date of the award a law—

13               “(A) which provides for the commitment of  
14               the gravely disabled; and

15               “(B) that provides for intensive case man-  
16               agement to monitor compliance and reconnect  
17               the gravely disabled to treatment services, a  
18               court hearing prior to a gravely disabled indi-  
19               vidual being re-committed to an inpatient or  
20               outpatient setting, or the involvement of out-  
21               patient mental health care providers in the ini-  
22               tial treatment planning as well as the monitor-  
23               ing and case management aspects of follow-up  
24               care for the gravely disabled individual.

1           “(2) DEFINITION.—For the purpose of this sec-  
2           tion, the term ‘gravely disabled’ means an individual  
3           who, as a result of mental illness, fails to meet his  
4           or her essential needs including the need for food,  
5           clothing, shelter or medical care, to the degree that  
6           such individual poses a real, present and substantial  
7           threat of serious physical harm to self, except that  
8           the failure of an individual to meet essential needs  
9           shall not, in and of itself, be sufficient grounds to  
10          establish that such person is mentally ill.

11          “(e) ADMINISTRATIVE EXPENSES.—The Secretary  
12          may not award a grant or contract to a State or territory  
13          under this section unless the State or territory involved  
14          agrees that not more than 4 percent of the amounts re-  
15          ceived under the award will be expended for administrative  
16          expenses regarding the amounts.

17          “(f) MAINTENANCE REQUIREMENTS.—

18                 “(1) MAINTENANCE OF EFFORT.—The Sec-  
19                 retary may not award a grant or contract to a State  
20                 or territory under this section unless the State in-  
21                 volved agrees that the State or territory will main-  
22                 tain State or territory expenditures for services de-  
23                 scribed in subsection (b) at a level that is not less  
24                 than the average level of such expenditures main-  
25                 tained by the State or territory for the 2-year period

1 preceding the fiscal year for which the State or terri-  
2 tory is applying to receive such an award.

3 “(2) MATCHING FUNDS.—The Secretary may  
4 require that a State or territory that applies for a  
5 grant or contract under this section provide non-  
6 Federal matching funds, as appropriate, to ensure  
7 the State or territory commitment to the programs  
8 funded under this section. Such non-Federal match-  
9 ing funds may be provided directly or through dona-  
10 tions from public or private entities and may be in  
11 cash or in-kind, fairly evaluated, including plant,  
12 equipment, or services.

13 “(g) GENERALLY APPLICABLE PROVISIONS.—

14 “(1) COMPETITIVE BASIS.—The Secretary shall  
15 ensure that grants and contract are awarded under  
16 this section on a competitive basis, as appropriate,  
17 to States or territories that demonstrate a potential  
18 to retain, or a history of retaining, the gravely dis-  
19 abled mentally ill who have been committed to out-  
20 patient treatment in outpatient treatment in accord-  
21 ance with court ordered treatment plans.

22 “(2) TERMS.—The period under which pay-  
23 ments are made under a grant or contract under  
24 this section may not exceed 5 years. Such payments  
25 shall be subject to annual approval by the Secretary



1 and subject to the availability of appropriations for  
2 the fiscal year involved. Nothing in this paragraph  
3 shall be construed as limiting the number of awards  
4 that may be made to a State or territory under this  
5 section.

6 “(3) PEER REVIEW.—An application received  
7 by the Secretary under this section shall be submit-  
8 ted to a peer review group for an evaluation of the  
9 merits of the proposals made in the application. The  
10 Secretary may not approve such an application un-  
11 less a peer review group has recommended the appli-  
12 cation for approval.

13 **“SUBPART III—GENERALLY APPLICABLE**  
14 **PROVISIONS”.**

15 (c) FUNDING.—Section 535(a) of the Public Health  
16 Service Act (42 U.S.C. 290cc–35(a)) is amended—

17 (1) by striking “this part” and inserting “sec-  
18 tion 521”; and

19 (2) by striking “\$75,000,000” and all that fol-  
20 lows through the period and inserting “\$29,000,000  
21 for each of the fiscal years 1996 and 1997, and  
22 \$50,000,000 for each of the fiscal years 1998 and  
23 1999. With respect to amounts appropriated under  
24 this subsection for fiscal year 1998, the Secretary  
25 shall allocate such amounts between subparts I and

1 II based on the ratio of the amounts allocated under  
 2 section 521 and under sections 520A(e) and 506(e)  
 3 for the program known as the ‘Access to Community  
 4 Care and Effective Services and Supports’ (AC-  
 5 CESS) program for fiscal year 1997.”.

6 (d) REPEAL.—Effective on October 1, 1997—

7 (1) section 506 (42 U.S.C. 290aa–5) is re-  
 8 pealed; and

9 (2) the Secretary shall not allocate funds under  
 10 section 520A (as amended by section 108) (42  
 11 U.S.C. 290bb–32) or under any other authority for  
 12 the program known as the “Access to Community  
 13 Care and Effective Services and Supports” (AC-  
 14 CESS) program.

15 **SEC. 108. PRIORITY MENTAL HEALTH NEEDS OF REGIONAL**  
 16 **AND NATIONAL SIGNIFICANCE.**

17 Section 520A (42 U.S.C. 290bb–32) is amended to  
 18 read as follows:

19 **“SEC. 520A. PRIORITY MENTAL HEALTH NEEDS OF RE-**  
 20 **GIONAL AND NATIONAL SIGNIFICANCE.**

21 “(a) GRANTS.—The Secretary shall address priority  
 22 mental health needs of regional and national significance  
 23 through—

24 “(1) the provision of—

25 “(A) training; or

1           “(B) demonstration projects for preven-  
2           tion, treatment, and rehabilitation; and

3           “(2) the conduct or support of evaluations of  
4           such demonstration projects.

5 In carrying out this section, the Secretary may make  
6 grants to, or enter into cooperative agreements with,  
7 States, political subdivisions of States, Indian Tribes and  
8 tribal organizations, and public or private nonprofit enti-  
9 ties.

10       “(b) PRIORITY MENTAL HEALTH NEEDS.—Priority  
11 mental health needs of regional and national significance  
12 shall include child mental health services, and may include  
13 managed care, systems and partnerships, client-oriented  
14 and consumer-run self-help services, training, and other  
15 priority populations and conditions as determined appro-  
16 priate by the Secretary.

17       “(c) REQUIREMENTS.—

18           “(1) IN GENERAL.—Recipients of grants, coop-  
19 erative agreements, and contracts under this section  
20 shall comply with information and application re-  
21 quirements determined appropriate by the Secretary.

22           “(2) PAYMENTS.—With respect to a grant, co-  
23 operative agreement, or contract awarded under this  
24 section, the period during which payments under  
25 such award are made to the recipient may not ex-

1       ceed 5 years. The provision of such payments shall  
2       be subject to annual approval by the Secretary and  
3       the availability of appropriations for the fiscal year  
4       involved. This paragraph may not be construed as  
5       limiting the number of awards under the program  
6       involved that may be made to an entity.

7           “(3) MATCHING FUNDS.—The Secretary may  
8       require that an entity that applies for a grant, con-  
9       tract, or cooperative agreement under this section  
10      provide non-Federal matching funds, as determined  
11      appropriate by the Secretary, to ensure the institu-  
12      tional commitment of the entity to the projects fund-  
13      ed under the grant, contract, or cooperative agree-  
14      ment. Such non-Federal matching funds may be pro-  
15      vided directly or through donations from public or  
16      private entities and may be in cash or in kind, fairly  
17      evaluated, including plant, equipment, or services.

18           “(4) MAINTENANCE OF EFFORT.—With respect  
19      to activities for which a grant, cooperative agree-  
20      ment, or contract is awarded under this section, the  
21      Secretary may require that the recipient agree to  
22      maintain expenditures of non-Federal amounts for  
23      such activities at a level that is not less than the  
24      level of such expenditures maintained by the entity  
25      for such fiscal year preceding the fiscal year for

1       which the entity receives such a grant, contract, or  
2       cooperative agreement.

3           “(5) APPLICATION AND FUNDING AGREE-  
4       MENTS.—

5           “(A) APPLICATION.—An application for a  
6       grant, contract, or cooperative agreement under  
7       this section shall ensure that amounts received  
8       under such grant, contract, or agreement will  
9       not be expended—

10           “(i) to provide inpatient services;

11           “(ii) to make cash payments to in-  
12       tended recipients of services;

13           “(iii) to purchase or improve land,  
14       purchase, construct, or permanently im-  
15       prove (other than minor remodeling) any  
16       building or other facility, or purchase  
17       major medical equipment; or

18           “(iv) to satisfy any requirement for  
19       the expenditure of non-Federal funds as a  
20       condition for the receipt of Federal funds.

21           “(B) FUNDING AGREEMENT.—A funding  
22       agreement for a grant, contract, or cooperative  
23       agreement under this section is that the entity  
24       involved will not expend more than 10 percent  
25       of the grant, contract, or agreement for admin-

1            administrative expenses with respect to the grant,  
2            contract, or agreement.

3            “(d) REDUCTION IN PAYMENTS.—The Secretary, at  
4 the request of a State or a political subdivision of a State,  
5 or a public or private nonprofit entity, may reduce the  
6 amount of payments under this section by—

7            “(1) the fair market value of any supplies or  
8 equipment furnished the State, political subdivision  
9 of the State, or a public or private nonprofit entity;  
10 and

11            “(2) the amount of the pay, allowances, and  
12 travel expenses of any officer, fellow, or employee of  
13 the Government when detailed to the State, a politi-  
14 cal subdivision of the State, or a public or private  
15 non-profit entity, and the amount of any other costs  
16 incurred in connection with the detail of such officer,  
17 fellow, or employee;

18 when the furnishing of such officer, fellow, or employee  
19 is for the convenience of and at the request of the State,  
20 political subdivision of the State, or public or private non-  
21 profit entity and for the purpose of conducting activities  
22 described in this section. The amount by which any pay-  
23 ment is so reduced shall be available for payment by the  
24 Secretary of the costs incurred in furnishing the supplies  
25 or equipment or in detailing the personnel, on which the

1 reduction of the payment is based, and the amount shall  
2 be deemed to have been paid to the State, political subdivi-  
3 sion of the State, or public or private non-profit entity.

4 “(e) EVALUATION.—The Secretary shall evaluate  
5 each project carried out under section (a)(1)(B) and shall  
6 disseminate the findings with respect to each such evalua-  
7 tion to appropriate public and private entities.

8 “(f) INFORMATION AND EDUCATION.—

9 “(1) IN GENERAL.—The Secretary shall estab-  
10 lish information and education programs to dissemi-  
11 nate the findings of the demonstration and training  
12 programs under this section to the general public  
13 and to health professionals.

14 “(2) DISSEMINATION.—The Secretary shall  
15 take such action as may be necessary to insure that  
16 all methods of dissemination and exchange of infor-  
17 mation are maintained between the Substance Abuse  
18 and Mental Health Services Administration and the  
19 public, and such Administration and other scientific  
20 organizations, both nationally and internationally.

21 “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
22 are authorized to be appropriated to carry out this section,  
23 \$50,000,000 for each of the fiscal years 1996 and 1997,  
24 \$30,000,000 for fiscal year 1998, and such sums as may  
25 be necessary for fiscal year 1999.’’.

1 **SEC. 109. REPEALS.**

2 (a) IN GENERAL.—The following provisions of the  
3 Public Health Service Act are repealed:

4 (1) Subsections (a), (c), and (d) of section 303  
5 (42 U.S.C. 242a (a), (c), and (d)) relating to clinical  
6 training and AIDS training.

7 (2) Section 520B (42 U.S.C. 290bb–33) relat-  
8 ing to AIDS demonstrations.

9 (3) Section 612 of the Stewart B. McKinney  
10 Homeless Assistance Act.

11 (b) CONFORMING AMENDMENT.—Section 303 (42  
12 U.S.C. 242a) as amended by subsection (a)(1), is further  
13 amended by striking the remaining subsection designation.

14 **SEC. 110. COMPREHENSIVE COMMUNITY SERVICES FOR**  
15 **CHILDREN WITH A SERIOUS EMOTIONAL DIS-**  
16 **TURBANCE.**

17 (a) AUTHORIZATION OF APPROPRIATIONS.—Section  
18 565(f)(1) (42 U.S.C. 290ff–4(f)(1)) is amended—

19 (1) by striking “and” after “1993”; and

20 (2) by inserting before the period the following:  
21 “, \$60,000,000 for fiscal year 1996, and such sums  
22 as may be necessary for each of the 3 succeeding fis-  
23 cal years”.

24 (b) FLEXIBILITY FOR INDIAN TRIBES AND TERRI-  
25 TORIES.—Section 562(c) (42 U.S.C. 290ff–1(c)) is



1 amended by adding at the end the following new flush sen-  
2 tence:

3 “The Secretary may waive one or more of the require-  
4 ments of the preceding sentence (for a public entity that  
5 is an Indian Tribe or tribal organization, or American  
6 Samoa, Guam, the Marshall Islands, the Federated States  
7 of Micronesia, the Commonwealth of the Northern Mari-  
8 ana Islands, the Republic of Palau, or the United States  
9 Virgin Islands) if the Secretary determines, after peer re-  
10 view, that the system of care is family-centered and uses  
11 the least restrictive environment that is clinically appro-  
12 priate.”.

## 13 **TITLE II—SUBSTANCE ABUSE**

### 14 **SEC. 201. REPLACEMENT OF STATE PLAN PROGRAM WITH** 15 **PERFORMANCE PARTNERSHIPS.**

16 (a) REPEALS.—Section 1921 (42 U.S.C. 300x-21) is  
17 repealed.

18 (b) PERFORMANCE PARTNERSHIP FRAMEWORK.—  
19 Subpart II of part B of title XIX (42 U.S.C. 300x-21  
20 et seq.) (as amended by subsection (a)) is further amended  
21 by inserting after the subpart heading the following new  
22 sections:

1 **“SEC. 1921. PERFORMANCE PARTNERSHIP GOALS AND OB-**  
2 **JECTIVES.**

3 “(a) GOALS.—It is the goal of this subpart for the  
4 States and the Federal Government, working together in  
5 a partnership—

6 “(1) to reduce the incidence and prevalence of  
7 substance abuse and dependence;

8 “(2) to improve access to appropriate preven-  
9 tion and treatment programs for targeted popu-  
10 lations;

11 “(3) to enhance the effectiveness of substance  
12 abuse prevention and treatment programs; and

13 “(4) to reduce the personal and community  
14 risks for substance abuse.

15 “(b) PERFORMANCE PARTNERSHIP OBJECTIVES.—

16 “(1) ESTABLISHMENT.—Not later than October  
17 1 of the fiscal year prior to the fiscal year in which  
18 this section becomes effective as provided for in sec-  
19 tion 601(c) of the SAMHSA Reauthorization, Flexi-  
20 bility Enhancement, and Consolidation Act of 1995,  
21 the Secretary, in consultation with the States, local  
22 governments, Indian tribes, providers, and consum-  
23 ers, and in accordance with paragraph (4), shall es-  
24 tablish, and as necessary, periodically revise—

1           “(A) a list of performance partnership ob-  
2           jectives to carry out the goals of this subpart;  
3           and

4           “(B) a core set of not more than five of  
5           such objectives that address substance abuse  
6           problems of national significance.

7           “(2) REQUIREMENTS.—Each performance part-  
8           nership objective established under paragraph (1)  
9           shall include—

10           “(A) a performance indicator;

11           “(B) the specific population being ad-  
12           dressed;

13           “(C) a performance target; and

14           “(D) a date by which the target level is to  
15           be achieved.

16           “(3) PRINCIPLES.—In establishing the perform-  
17           ance partnership objectives under paragraph (1), the  
18           Secretary shall be guided by the following principles:

19           “(A) The objectives should be closely relat-  
20           ed to the goals of this subpart, and be viewed  
21           as important by and understandable to State  
22           policymakers and the general public.

23           “(B) Objectives should be results-oriented,  
24           including a suitable mix of outcome, process  
25           and capacity measures.

1           “(C) In the case of an objective that has  
 2           suitable outcome measures, measurable  
 3           progress in achieving the objective should be ex-  
 4           pected over the period of the grant.

5           “(D) In the case of an objective that has  
 6           suitable process or capacity measures, such ob-  
 7           jective should be demonstrably linked to the  
 8           achievement of, or demonstrate a potential to  
 9           achieve, a substance abuse treatment outcome.

10          “(E) Data to track the objective should, to  
 11          the extent practicable, be comparable for all  
 12          grant recipients, meet reasonable statistical  
 13          standards for quality, and be available in a  
 14          timely fashion, at appropriate periodicity, and  
 15          at reasonable cost.

16   **“SEC. 1921A. STATE PERFORMANCE PARTNERSHIP PRO-**  
 17           **POSAL.**

18          “(a) IN GENERAL.—To be eligible to receive a grant  
 19          under this subpart, a State shall, in accordance with this  
 20          section, prepare and submit to the Secretary a perform-  
 21          ance partnership proposal in accordance with the provi-  
 22          sions of this subpart .

23          “(b) ELEMENTS RELATED TO PERFORMANCE OB-  
 24          JECTIVES.—A State proposal submitted under subsection  
 25          (a) shall contain—

1           “(1) a list of one or more objectives (derived  
2           from the performance partnership objectives speci-  
3           fied under section 1921(b)) toward which the State  
4           will work and a performance target for each objec-  
5           tive which the State will seek to achieve by the end  
6           of the partnership period;

7           “(2) a rationale for the State’s selection of ob-  
8           jectives, including any performance targets, and  
9           timeframes;

10          “(3) a statement of the State’s strategies for  
11          achieving the objectives over the course of the grant  
12          period and evidence that the actions taken under a  
13          partnership agreement will have an impact on the  
14          objective;

15          “(4) a statement of the amount to be expended  
16          to carry out each strategy; and

17          “(5) an assurance that the State will report an-  
18          nually on all core performance objectives established  
19          under section 1921(b)(1)(B) (regardless of whether  
20          it is working toward those objectives) and the spe-  
21          cific objectives toward which the State will work  
22          under the performance partnership.

23 A State may select an objective that is not an established  
24 performance partnership objective under section 1921 if  
25 the State demonstrates to the Secretary that the objective

1 relates to a significant health problem related to substance  
2 abuse in the State that would not otherwise be addressed  
3 appropriately. The Secretary may require that objectives  
4 developed by the State under this subsection be consistent  
5 with the requirements of paragraphs (2) and (3) of section  
6 1921(b).

7 “(c) TRANSITION PROVISION.—A State may select  
8 objectives under this section which solely have process or  
9 capacity measures until such time as data sets are deter-  
10 mined by the Secretary to be readily available, sufficient,  
11 and relevant under section 601(a) of the SAMHSA Reau-  
12 thorization, Flexibility Enhancement, and Consolidation  
13 Act of 1995, to make outcome measurements for objec-  
14 tives developed by the Secretary.

15 **“SEC. 1921B. FEDERAL-STATE PERFORMANCE PARTNER-**  
16 **SHIP.**

17 “(a) NEGOTIATIONS CONCERNING STATE PRO-  
18 POSAL.—

19 “(1) REASONABLE EFFORTS TO AGREE.—A  
20 State submitting a proposal under section 1921A  
21 and the Secretary shall make all reasonable efforts  
22 to agree on a performance partnership pursuant to  
23 which the State shall expend amounts received under  
24 a grant provided under this subpart.

1           “(2) DUTIES OF SECRETARY.—In negotiations  
2           conducted under paragraph (1) concerning the pro-  
3           posal of a State, the Secretary shall consider the ex-  
4           tent to which the proposed objectives, performance  
5           targets, timeframes, and strategies of the State are  
6           likely to address appropriately the most significant  
7           health problems associated with substance abuse (as  
8           measured by applicable indicators) within the State,  
9           including the health problems associated with sub-  
10          stance abuse of vulnerable populations (such as  
11          pregnant women, women with dependent children,  
12          and crack-cocaine and injecting drug users).

13          “(b) PARTNERSHIP PERIOD.—The Secretary, in con-  
14          sultation with a State receiving a grant under this sub-  
15          part, shall set the duration of the partnership with the  
16          State. Initial and subsequent partnership periods shall not  
17          be less than 3 nor more than 5 years, except that the Sec-  
18          retary may agree to a partnership period of less than 3  
19          years where a State demonstrates to the satisfaction of  
20          the Secretary that such shorter period is appropriate in  
21          light of the particular circumstances of that State.

22          “(c) ASSESSMENT AND ADJUSTMENT.—

23                  “(1) ASSESSMENTS.—The Secretary shall annu-  
24          ally assess—

1           “(A) the progress achieved nationally to-  
2           ward each of the core objectives established  
3           under section 1921(b)(1)(B); and

4           “(B) in consultation with each State, the  
5           progress of the State toward each objective  
6           agreed upon in the performance partnership  
7           under subsection (a);

8           and make such assessment publicly available.

9           “(2) STATE ASSESSMENTS.—In carrying out  
10          paragraph (1)(B), the Secretary shall take into con-  
11          sideration such qualitative assessments of perform-  
12          ance as may be provided by each State pursuant to  
13          section 1942(a)(3).

14          “(3) ADJUSTMENTS.—With respect to a per-  
15          formance partnership under subsection (a), the Sec-  
16          retary and the State may at any time in the course  
17          of the partnership period renegotiate, and revise by  
18          mutual agreement, the elements of the partnership  
19          to account for new information or changed cir-  
20          cumstances (including information or changes identi-  
21          fied during assessments under paragraph (1)).

22          “(d) GRANTS TO STATES; USE OF FUNDS.—

23                 “(1) GRANTS.—The Secretary shall award a  
24                 grant to each State that—



1           “(A) has reached a performance partner-  
 2           ship agreement with the Secretary under sub-  
 3           section (a); and

4           “(B) is carrying out activities in accord-  
 5           ance with the terms of such partnership;

6           in an amount that is equal to the allotment of the  
 7           State under section 1933. Grants shall be awarded  
 8           for each fiscal year for which the partnership is in  
 9           effect.

10          “(2) USE OF FUNDS.—Funds paid to a State  
 11          under a grant described in paragraph (1) may be  
 12          used by the State only for the purpose of carrying  
 13          out this subpart (including related data collection,  
 14          evaluation, planning, administration, and edu-  
 15          cational activities).”.

16          (c) ADDITIONAL GENERAL PROVISIONS CONCERNING  
 17          PARTNERSHIPS.—Section 1932 (42 U.S.C. 300x-32) is  
 18          amended—

19               (1) by striking the section heading;

20               (2) by striking “application” each place that  
 21          such term appears and inserting “proposal”;

22               (3) in subsection (a)—

23                       (A) in the subsection heading, by striking

24                       “(a) IN GENERAL.—” and all that follows

25                       through paragraph (1) and inserting “(c) ADDI-

1 TIONAL ELEMENTS.—A State proposal is in ac-  
 2 cordance with this subsection if—”;

3 (B) in paragraph (3), by inserting “pro-  
 4 posed performance partnership and” before  
 5 “agreements”;

6 (C) by striking paragraphs (5) and (6)

7 (D) in paragraph (7), by striking “includ-  
 8 ing the plan under paragraph (6)”;

9 (E) by redesignating paragraphs (2)  
 10 through (4), and paragraph (7) as paragraphs  
 11 (1) through (4), respectively; and

12 (F) by transferring such subsection to sec-  
 13 tion 1921A (as added by subsection (b)) and in-  
 14 serting such subsection at the end of such sec-  
 15 tion; and

16 (4) in subsection (c)—

17 (A) by transferring such subsection to sec-  
 18 tion 1921B (as added by subsection (b));

19 (B) by inserting such subsection at the end  
 20 of such section 1921B; and

21 (C) by redesignating such subsection as  
 22 subsection (h); and

23 (5) by striking subsections (b) and (d).

24 (d) DEFINITIONS.—Section 1934 (42 U.S.C. 300x-  
 25 34) is amended—

1           (1) by redesignating paragraphs (3) through  
2           (7) as paragraphs (5) through (9), respectively; and

3           (2) by inserting after paragraph (2), the follow-  
4           ing new paragraphs:

5           “(3) The term ‘performance indicator’ means a  
6           quantifiable characteristic used as a measurement.

7           “(4) The term ‘performance target’ means a  
8           numerical value sought to be achieved within a spec-  
9           ified period of time.”.

10          (e) CONFORMING AMENDMENTS.—Title XIX is  
11          amended—

12           (1) in the heading of subpart II of part B (42  
13          U.S.C. 300x–21 et seq.) by striking “**Block**” and  
14          inserting “**Performance Partnership**”;

15           (2) in subpart II of part B (42 U.S.C. 300x–  
16          21 et seq.), by striking “section 1921” each place  
17          that such appears and inserting “this subpart”;

18           (3) in section 1933(a)(1)(A) (42 U.S.C. 300x–  
19          33(a)(1)(A)), by inserting “(as in effect on January  
20          1, 1995)” after “section 1918(a)”; and

21           (4) in subpart III of part B (42 U.S.C. 300x–  
22          51 et seq.), by striking “section 1921” each place  
23          that such appears and inserting “subpart II”.

1 **SEC. 202. ALLOCATIONS REGARDING PRIMARY PREVEN-**  
2 **TION AND WOMENS PROGRAMS.**

3 Section 1922 (42 U.S.C. 300x-22) is amended—

4 (1) by striking subsection (a);

5 (2) by redesignating subsections (b) and (c) as  
6 subsections (a) and (b), respectively; and

7 (3) in subsection (b) (as so redesignated)—

8 (A) by striking paragraph (1) and insert-  
9 ing the following new paragraph:

10 “(1) IN GENERAL.—A funding agreement for a  
11 grant under section 1921 for a fiscal year is that in  
12 the case of a grant for fiscal year 1996, or a subse-  
13 quent fiscal year, the State will expend not less than  
14 an amount equal to the amount expended by the  
15 State for fiscal year 1995 to increase the availability  
16 of treatment services designed for pregnant women  
17 and women with dependent children (either by estab-  
18 lishing new programs or expanding the capacity of  
19 existing programs).”; and

20 (B) by adding at the end thereof the fol-  
21 lowing new paragraph:

22 “(4) INSUFFICIENT AMOUNTS.—If the Sec-  
23 retary determines that, as a result of a reduction in  
24 the amount of Federal funds provided to State  
25 under this subpart, a State will be unable to meet  
26 the requirement of paragraph (1), the Secretary

1 shall permit the State to prorate amounts provided  
2 under such paragraph based on the amount provided  
3 to the State under this subpart in fiscal year  
4 1995.”.

5 **SEC. 203. TUBERCULOSIS AND HIV.**

6 (a) TUBERCULOSIS.—Section 1924(a) (42 U.S.C.  
7 300x-24(a)) is amended—

8 (1) in paragraph (1), to read as follows:

9 “(1) IN GENERAL.—A funding agreement for a  
10 grant under section 1921 is that the State involved  
11 will—

12 “(A)(i) directly or through arrangements  
13 with other public or nonprofit private entities,  
14 ensure that activities are routinely carried out  
15 under subparagraphs (A) and (B) of paragraph  
16 (2); and

17 “(ii) ensure that arrangements are made  
18 with other public or nonprofit private entities to  
19 make available tuberculosis services, including  
20 services under subparagraphs (C) and (D) of  
21 paragraph (2), to each individual receiving  
22 treatment for substance abuse under this sub-  
23 part; and

24 “(B) require that any entity receiving  
25 amounts from the grant for operating a pro-

1           gram of treatment for substance abuse, in the  
2           case of an individual in need of such treatment  
3           who is denied admission to the program on the  
4           basis of the lack of the capacity of the program  
5           to admit the individual, will refer the individual  
6           to another provider of tuberculosis services.

7           Nothing in subparagraph (A)(ii) shall be construed  
8           to require that the State expend funds under this  
9           Act to make available such services.”;

10          (2) in paragraph (2)—

11               (A) by redesignating subparagraph (C) as  
12               subparagraph (D); and

13               (B) in subparagraph (B), to read as fol-  
14               lows:

15               “(B) tuberculosis testing, based on the risk  
16               assessment conducted by the State, to deter-  
17               mine whether the individual has contracted  
18               such disease, such testing to be based on usual  
19               standards as determined to be appropriate by  
20               the State health director in cooperation with  
21               State and local health agencies for tuberculosis  
22               and with other relevant private nonprofit enti-  
23               ties;

1           “(C) testing to determine the form of  
2           treatment for the disease that is appropriate for  
3           the individual; and”;

4           (3) by adding at the end thereof the following  
5           new paragraph:

6           “(3) COUNSELING.—For purposes of paragraph  
7           (2), the term ‘counseling’ with respect to an individ-  
8           ual means—

9           “(A) the provision of information to indi-  
10          viduals or communities about risk factors for  
11          tuberculosis; and

12          “(B) conducting tuberculosis risk assess-  
13          ments to determine if tuberculosis testing is re-  
14          quired.”.

15          (b) HIV.—Section 1924(b) (42 U.S.C. 300x-24(b))  
16          is amended—

17          (1) in paragraph (1)(A), insert “routinely”  
18          after “projects to”;

19          (2) in paragraph (2), by striking “10” and in-  
20          serting “15”; and

21          (3) in paragraph (7)(B)(ii), by inserting before  
22          the semicolon the following: “, such testing to be  
23          based on usual standards as determined to be appro-  
24          priate by the State health director in cooperation

1 with State and local health agencies for HIV and  
 2 with other relevant private nonprofit entities; and”;

3 (c) EXPENDITURE.—Section 1924(c) (42 U.S.C.  
 4 300x-24(c)) is amended—

5 (1) in the subsection heading, by striking  
 6 “AGREEMENTS” and inserting “PARTNERSHIPS”;  
 7 and

8 (2) in paragraph (1), by striking “agreements”  
 9 and inserting “partnerships”.

10 (d) PAYOR OF LAST RESORT.—Section 1924 (42  
 11 U.S.C. 300x-24) is amended by adding at the end thereof  
 12 the following new subsection:

13 “(f) PAYOR OF LAST RESORT.—Amounts made avail-  
 14 able under this section may only be used as a payment  
 15 of last resort for tuberculosis and may not be used for  
 16 the medical evaluation and treatment of such disease.”.

17 **SEC. 204. GROUP HOMES FOR RECOVERING SUBSTANCE**  
 18 **ABUSERS.**

19 (a) IN GENERAL.—Section 1925 (42 U.S.C. 300x-  
 20 25) is amended—

21 (1) in subsection (a), by striking “For fiscal  
 22 year 1993” and all that follows through the colon  
 23 and inserting “Except as provided in subsection (d),  
 24 for each of the fiscal years 1996 through 1999, the  
 25 Secretary may make a grant under section 1921



1       only if the State involved has established and is pro-  
2       viding for the ongoing operation of a revolving fund  
3       as follows:”; and

4               (2) by adding at the end thereof the following  
5       new subsection:

6       “(d) NONAPPLICATION OF SECTION.—

7               “(1) IN GENERAL.—The requirements of this  
8       section shall not apply to a State that is not, as of  
9       the date of enactment of this subsection, utilizing a  
10      revolving fund under this section. Such a State shall  
11      not be required to maintain such a fund after such  
12      date of enactment.

13              “(2) USE OF FUNDS.—A State described in  
14      paragraph (1), may use amounts set aside under  
15      this section, or amounts remaining in the revolving  
16      fund, to provide other services under this part.”.

17      (b) REPEAL.—Section 1925 (42 U.S.C. 300x-25)  
18      shall be repealed effective on September 30, 1998.

19      **SEC. 205. STATE SUBSTANCE ABUSE PREVENTION AND**  
20                                      **TREATMENT PLANNING COUNCIL.**

21      Subpart II of part B of title XIX is amended by in-  
22      serting after section 1927 (42 U.S.C. 300x-27) the follow-  
23      ing new section:

1 **“SEC. 1927A. STATE SUBSTANCE ABUSE PREVENTION AND**  
2 **TREATMENT PLANNING COUNCIL.**

3 “(a) IN GENERAL.—A funding agreement for a grant  
4 under this subpart is that the State involved will establish  
5 and maintain a State substance abuse prevention and  
6 treatment planning council in accordance with the condi-  
7 tions described in this section.

8 “(b) DUTIES.—A condition under subsection (a) for  
9 a council is that the duties of the council are—

10 “(1) to review performance partnerships and re-  
11 lated reports provided to the council by the State in-  
12 volved and to submit to the State any recommenda-  
13 tions of the council for modifications;

14 “(2) to serve as an advocate for individuals suf-  
15 fering from substance abuse; and

16 “(3) to monitor, review, and evaluate, not less  
17 than once each year, the allocation and adequacy of  
18 substance abuse prevention and treatment services  
19 within the State.

20 “(c) MEMBERSHIP.—

21 “(1) IN GENERAL.—A condition under sub-  
22 section (a) for a council is that the council be com-  
23 posed of residents of the State, including representa-  
24 tives of—

25 “(A) the principal State agencies with re-  
26 spect to—

1 “(i) substance abuse prevention and  
2 treatment, education, vocational rehabilita-  
3 tion, criminal justice, housing, and social  
4 services; and

5 “(ii) the development of the plan sub-  
6 mitted pursuant to title XIX of the Social  
7 Security Act;

8 “(B) public and private entities concerned  
9 with the need, planning, operation, funding, and  
10 use of substance abuse prevention and treat-  
11 ment services and related support services;

12 “(C) individuals who are receiving (or have  
13 received) substance abuse prevention or treat-  
14 ment services; and

15 “(D) the families of such individuals.

16 “(2) LIMITATION ON STATE EMPLOYEES AND  
17 PROVIDERS.—A condition under subsection (a) for a  
18 council is that not less than 50 percent of the mem-  
19 bers of the council are individuals who are not State  
20 employees or providers of substance abuse preven-  
21 tion or treatment services.

22 “(d) REVIEW OF STATE PERFORMANCE PARTNER-  
23 SHIP BY PLANNING COUNCIL.—The Secretary may make  
24 a grant under this subpart only if—

1           “(1) the performance partnership submitted  
2           under this subpart with respect to the grant (and  
3           the State’s report under section 1942(a) concerning  
4           the preceding fiscal year) has been reviewed by the  
5           council; and

6           “(2) the State submits to the Secretary any  
7           recommendations received by the State from the  
8           council for modifications to the performance partner-  
9           ship (without regard to whether the State has made  
10          the recommended modifications).

11          “(e) WAIVERS.—In the case of a State that has other  
12       existing processes for complying with the duties required  
13       under subsection (b), the Secretary, upon the request of  
14       the State, may waive the requirements of such subsection.  
15       Such waiver shall be deemed to be granted if the Secretary  
16       fails to act within 90 days of the date of the submission  
17       of such a request.”.

18       **SEC. 206. ADDITIONAL AGREEMENTS.**

19       Section 1928 (42 U.S.C. 300x–28) is amended—

20               (1) by striking subsections (a) and (d); and

21               (2) by redesignating subsections (b) and (c) as  
22       subsections (a) and (b), respectively.

1 **SEC. 207. STATE OPPORTUNITY TO CORRECT OR MITIGATE**  
 2 **FAILURE TO MAINTAIN EFFORT.**

3 Section 1930(c)(1) (42 U.S.C. 300x-30(c)(1)) is  
 4 amended by striking the second sentence and inserting the  
 5 following new sentences: “If the Secretary determines that  
 6 a State has failed to maintain such compliance, the Sec-  
 7 retary may permit the State, not later than 1 year after  
 8 notification, to correct or mitigate the noncompliance. If  
 9 the State does not carry out a correction or mitigation  
 10 as specified by the Secretary (or if the Secretary decided  
 11 it was not appropriate to provide that opportunity), the  
 12 Secretary shall reduce the amount of the grant under this  
 13 subpart for the State for the current fiscal year by an  
 14 amount equal to the amount constituting such failure.”.

15 **SEC. 208. FUNDING FOR ORGANIZATIONS THAT ARE FOR-**  
 16 **PROFIT.**

17 Section 1931(a) (42 U.S.C. 300x-31(a)) is amend-  
 18 ed—

19 (1) in paragraph (1)(E), by inserting before the  
 20 semicolon the following: “, unless the State deter-  
 21 mines that it is appropriate and beneficial for a for-  
 22 profit private entity to receive assistance to facilitate  
 23 the integration of the State Medicaid program or  
 24 substance abuse managed care programs under title  
 25 XIX of the Social Security Act)”; and

1           (2) by adding at the end thereof the following  
2       new paragraph:

3           “(4) FOR-PROFIT RESTRICTIONS.—For pur-  
4       poses of providing assistance to a for-profit entity  
5       under paragraph (1)(E), the State shall ensure  
6       that—

7           “(A) such an entity is certified or licensed  
8       by the State;

9           “(B) all profits earned by such entity as a  
10       result of assistance provided under this subpart  
11       are redistributed by the entity to the commu-  
12       nity served by the entity for the provision of  
13       treatment or prevention services; and

14          “(C) in the case of an entity that is a pri-  
15       vate for-profit entity, such entity is the only  
16       available provider of substance abuse treatment  
17       in the area served.”.

18   **SEC. 209. AUTHORIZATION OF APPROPRIATIONS.**

19       Section 1935(a) (42 U.S.C. 300x-35(a)) is amended  
20   by striking “\$1,500,000,000” and all that follows through  
21   the end thereof and inserting “\$1,300,000,000 for fiscal  
22   year 1996, and such sums as may be necessary for each  
23   of the fiscal years 1997 through 1999.”.

1 **SEC. 210. DATA COLLECTION, TECHNICAL ASSISTANCE,**  
2 **AND EVALUATIONS.**

3 Section 1935(b) (42 U.S.C. 300x-35(b)) is amended  
4 to read as follows:

5 “(b) RESERVED FUNDS.—

6 “(1) IN GENERAL.—The Secretary shall reserve  
7 5 percent of the amounts appropriated for a fiscal  
8 year under subsection (a)—

9 “(A) to carry out sections 505 (providing  
10 for data collection) and 1948(a) (providing for  
11 technical assistance to States) with respect to  
12 substance abuse;

13 “(B) to carry out section 515(d) (providing  
14 for a performance substance abuse data base);  
15 and

16 “(C) to conduct evaluations concerning  
17 programs supported under this subpart.

18 The Secretary may carry out activities funded pur-  
19 suant to this paragraph directly, or through grants,  
20 contracts, or cooperative agreements.

21 “(2) DATA COLLECTION INFRASTRUCTURE.—In  
22 carrying out this subsection, the Secretary shall  
23 make available grants and contracts to States for  
24 the development and strengthening of State core ca-  
25 pacity (including infrastructure) for data collection  
26 and evaluation.

1           “(3) PREVENTION.—Of the amounts reserved  
 2           under paragraph (1) for a fiscal year, the Secretary  
 3           shall ensure that 20 percent of such amounts shall  
 4           be used for activities related to prevention.”.

5   **SEC. 211. PRIORITY SUBSTANCE ABUSE PREVENTION AND**  
 6                           **TREATMENT NEEDS OF REGIONAL AND NA-**  
 7                           **TIONAL SIGNIFICANCE.**

8           Section 510 (42 U.S.C. 290bb–3) is amended to read  
 9   as follows:

10   **“SEC. 510. PRIORITY SUBSTANCE ABUSE PREVENTION AND**  
 11                           **TREATMENT NEEDS OF REGIONAL AND NA-**  
 12                           **TIONAL SIGNIFICANCE.**

13           “(a) GRANTS.—The Secretary shall address the sub-  
 14   stance abuse health needs of regional and national signifi-  
 15   cance through—

16                   “(1) the provision of

17                           “(A) training; or

18                           “(B) demonstration projects for prevention  
 19                   and treatment; and

20                   “(2) the conduct or support of evaluations of  
 21           such demonstration projects.

22   In carrying out this section, the Secretary may make  
 23   grants to, or enter into cooperative agreements with,  
 24   States, political subdivisions of States, Indian Tribes and



1 tribal organizations, and public or private nonprofit enti-  
2 ties.

3 “(b) SUBSTANCE ABUSE HEALTH NEEDS.—Sub-  
4 stance abuse health needs of regional and national signifi-  
5 cance shall include prevention activities and may include  
6 managed care, systems and partnerships, client-oriented  
7 services, and other priority populations (including preg-  
8 nant substance abusers, women with dependent children,  
9 and crack cocaine and injecting drug users) and conditions  
10 as determined appropriate by the Secretary.

11 “(c) REQUIREMENTS.—

12 “(1) IN GENERAL.—Recipients of grants, coop-  
13 erative agreements, and contracts under this section  
14 shall comply with information and application re-  
15 quirements determined appropriate by the Secretary.

16 “(2) PAYMENTS.—With respect to a grant, co-  
17 operative agreement, or contract awarded under this  
18 section, the period during which payments under  
19 such award are made to the recipient may not ex-  
20 ceed 5 years. The provision of such payments shall  
21 be subject to annual approval by the Secretary and  
22 the availability of appropriations for the fiscal year  
23 involved. This paragraph may not be construed as  
24 limiting the number of awards under the program  
25 involved that may be made to an entity.

1           “(3) MATCHING FUNDS.—The Secretary may  
2           require that an entity that applies for a grant, con-  
3           tract, or cooperative agreement under this section  
4           provide non-Federal matching funds, as determined  
5           appropriate by the Secretary, to ensure the institu-  
6           tional commitment of the entity to the projects fund-  
7           ed under the grant, contract, or cooperative agree-  
8           ment. Such non-Federal matching funds may be pro-  
9           vided directly or through donations from public or  
10          private entities and may be in cash or in kind, fairly  
11          evaluated, including plant, equipment, or services.

12          “(4) MAINTENANCE OF EFFORT.—With respect  
13          to activities for which a grant, cooperative agree-  
14          ment, or contract is awarded under this section, the  
15          Secretary may require the recipient to agree to  
16          maintain expenditures of non-Federal amounts for  
17          such activities at a level that is not less than the  
18          level of such expenditures maintained by the entity  
19          for such fiscal year preceding the fiscal year for  
20          which the entity receives such a grant, contract, or  
21          cooperative agreement.

22          “(5) APPLICATION AND FUNDING AGREE-  
23          MENTS.—

24                  “(A) APPLICATION.—An application for a  
25                  grant, contract, or cooperative agreement under

1           this section shall ensure that amounts received  
2           under such grant, contract, or agreement will  
3           not be expended—

4                   “(i) to provide inpatient services;

5                   “(ii) to make cash payments to in-  
6           tended recipients of services;

7                   “(iii) to purchase or improve land,  
8           purchase, construct, or permanently im-  
9           prove (other than minor remodeling) any  
10          building or other facility, or purchase  
11          major medical equipment; or

12                  “(iv) to satisfy any requirement for  
13          the expenditure of non-Federal funds as a  
14          condition for the receipt of Federal funds.

15                  “(B) FUNDING AGREEMENT.—A funding  
16          agreement for a grant, contract, or cooperative  
17          agreement under this section is that the entity  
18          involved will not expend more than 10 percent  
19          of the grant, contract, or agreement for admin-  
20          istrative expenses with respect to the grant,  
21          contract, or agreement.

22                  “(d) REDUCTION IN PAYMENTS.—The Secretary, at  
23          the request of a State or a political subdivision of a State,  
24          or a public or private nonprofit entity, may reduce the  
25          amount of payments under this section by—

1           “(1) the fair market value of any supplies or  
2           equipment furnished the State, political subdivision  
3           of the State, or a public or private nonprofit entity;  
4           and

5           “(2) the amount of the pay, allowances, and  
6           travel expenses of any officer, fellow, or employee of  
7           the Government when detailed to the State, a politi-  
8           cal subdivision of the State, or a public or private  
9           non-profit entity, and the amount of any other costs  
10          incurred in connection with the detail of such officer,  
11          fellow, or employee;

12          when the furnishing of such officer, fellow, or employee  
13          is for the convenience of and at the request of the State,  
14          political subdivision of the State, or public or private non-  
15          profit entity and for the purpose of conducting activities  
16          described in this section. The amount by which any pay-  
17          ment is so reduced shall be available for payment by the  
18          Secretary of the costs incurred in furnishing the supplies  
19          or equipment or in detailing the personnel, on which the  
20          reduction of the payment is based, and the amount shall  
21          be deemed to have been paid to the State, political subdivi-  
22          sion of the State, or public or private non-profit entity.

23          “(e) EVALUATION.—The Secretary shall evaluate  
24          each project carried out under section (a)(1)(B) and shall

1 disseminate the findings with respect to each such evalua-  
2 tion to appropriate public and private entities.

3 “(f) INFORMATION AND EDUCATION.—

4 “(1) IN GENERAL.—The Secretary shall estab-  
5 lish information and education programs to dissemi-  
6 nate the findings of the research, demonstration,  
7 and training programs under this section to the gen-  
8 eral public and to health professionals.

9 “(2) DISSEMINATION.—The Secretary shall  
10 take such action as may be necessary to insure that  
11 all methods of dissemination and exchange of infor-  
12 mation are maintained between the Substance Abuse  
13 and Mental Health Services Administration and the  
14 public, and the Administration and other scientific  
15 organizations, both nationally and internationally.

16 “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
17 are authorized to be appropriated to carry out this section,  
18 \$352,000,000 for fiscal year 1996, and such sums as may  
19 be necessary for each of the fiscal years 1997 through  
20 1999.”.

21 **SEC. 212. REPEALS.**

22 The following provisions of the Public Health Service  
23 Act are repealed:

1           (1) Section 508 (42 U.S.C. 290bb-1) relating  
2           to residential treatment programs for pregnant  
3           women.

4           (2) Section 509 (42 U.S.C. 290bb-2) relating  
5           to outpatient treatment programs for pregnant and  
6           postpartum women.

7           (3) Section 511 (42 U.S.C. 290bb-4) relating  
8           to substance abuse treatment in State and local  
9           criminal justice systems.

10          (4) Section 512 (42 U.S.C. 290bb-5) relating  
11          to training in the provision of treatment services.

12          (5) Paragraph (5) of section 515(b) (42 U.S.C.  
13          290bb-21(b)(5)) relating to the activities of the Of-  
14          fice of Substance Abuse Prevention. Paragraphs (6)  
15          through (10) of such section shall be redesignated as  
16          paragraphs (5) through (9), respectively.

17          (6) Section 516 (42 U.S.C. 290bb-22) relating  
18          to community prevention programs.

19          (7) Section 517 (42 U.S.C. 290bb-23) relating  
20          to high risk youth demonstrations.

21          (8) Section 518 (42 U.S.C. 290bb-24) relating  
22          to employee assistance programs.

23          (9) Section 571 (42 U.S.C. 290gg) relating to  
24          the National Capital Area Demonstration Program.

1           (10) Section 1943(a)(1) (42 U.S.C. 300x–  
2           53(a)(1)) relating to peer review.

3           (11) Section 1971 (42 U.S.C. 300y) relating to  
4           categorical grants to States.

5                           **TITLE III—GENERAL**  
6                           **PROVISIONS**

7   **SEC. 301. REPORTING BY STATES ON PERFORMANCE.**

8           Section 1942(a) (42 U.S.C. 300x–52(a)) is amend-  
9   ed—

10           (1) in paragraph (1), by striking “and” at the  
11   end thereof;

12           (2) in paragraph (2), by striking the period and  
13   inserting “; and”; and

14           (3) by adding at the end thereof the following:

15           “(3) the performance of the State in relation to  
16   the objectives specified or agreed upon under sec-  
17   tions 1912(b)(5) or section 1921A(b)(5), as applica-  
18   ble.”.

19   **SEC. 302. ON SITE PERFORMANCE REVIEWS.**

20           Section 1945(g)(1) (42 U.S.C. 300x–55(g)(1)) is  
21   amended by striking “in fiscal year 1994” and all that  
22   follows through the end thereof and inserting “, not more  
23   frequently than once every 3 nor less frequently than once  
24   every 5 years, conduct an on-site performance review of  
25   a State’s activities supported under this part.”.

1 **SEC. 303. ADDITIONAL YEAR FOR OBLIGATION BY STATE.**

2 Section 1952(a) (42 U.S.C. 300x-62(a)) is amended  
 3 by striking “until the end” and all that follows through  
 4 the end thereof and inserting “and expenditure until the  
 5 end of the fiscal year following the fiscal year for which  
 6 the amounts were paid.”.

7 **SEC. 304. DEFINITIONS.**

8 Section 1954(b) (42 U.S.C. 300x-64(B)) is amended  
 9 by adding the following new paragraphs at the end there-  
 10 of:

11 “(5) The term ‘performance indicator’ means a  
 12 quantifiable characteristic used as a measurement.

13 “(6) The term ‘performance target’ means a  
 14 numerical value sought to be achieved within a spec-  
 15 ified period of time.”.

16 **SEC. 305. REPEAL OF OBSOLETE PROVISIONS CONCERNING**  
 17 **ALLOCATIONS.**

18 (a) IN GENERAL.—Section 1933 (42 U.S.C. 300x-  
 19 33) is amended—

20 (1) by striking subsection (b);

21 (2) in subsection (c)(2)—

22 (A) in subparagraph (A), by adding “and”  
 23 at the end thereof;

24 (B) in subparagraph (B), by striking “;  
 25 and” at the end of subparagraph (B) and in-  
 26 serting a period; and



1 (C) by striking subparagraph (C); and

2 (3) by redesignating subsections (c) and (d) as  
3 subsection (b) and (c), respectively.

4 (b) CONFORMING AMENDMENT.—Section 1923(h)  
5 (as so redesignated by section 201(c)(4)(A)) is amended  
6 by striking “section 1933(c)(2)(B)” and inserting “section  
7 1933(b)(2)(B)”.

8 **SEC. 306. REPEAL OF OBSOLETE ADDICT REFERRAL PROVI-**  
9 **SIONS.**

10 (a) REPEAL OF OBSOLETE PUBLIC HEALTH SERV-  
11 ICE ACT AUTHORITIES.— Part E of title III (42 U.S.C.  
12 257 et seq.) is repealed.

13 (b) REPEAL OF OBSOLETE NARA AUTHORITIES.—  
14 Titles III and IV of the Narcotic Addict Rehabilitation  
15 Act of 1966 are repealed.

16 (c) REPEAL OF OBSOLETE TITLE 28 AUTHORI-  
17 TIES.—

18 (1) IN GENERAL.—Chapter 175 of title 28,  
19 United States Code, is repealed.

20 (2) TABLE OF CONTENTS.—The table of con-  
21 tents to part VI of title 28, United States Code, is  
22 amended by striking the items relating to chapter  
23 175.

1 **SEC. 307. REGULATIONS.**

2 Section 1949 (42 U.S.C. 300x-59) is amended to  
3 read as follows:

4 **“SEC. 1949. REGULATIONS.**

5 “The Secretary shall promulgate regulations as the  
6 Secretary determines are necessary to carry out this  
7 part.”.

8 **SEC. 308. ADVISORY COUNCILS.**

9 Section 502(b)(3)(A) (42 U.S.C. 290aa-1(b)(3)(A))  
10 is amended by inserting “and leading representatives from  
11 State and local governments” after “sciences)”.

12 **SEC. 309. REPORT ON DEVELOPMENT OF PARTNERSHIPS**  
13 **AND USE OF GRANTS.**

14 Not later than January 1, 1999, the Secretary of  
15 Health and Human Services shall prepare and submit to  
16 the appropriate committees of Congress a report that con-  
17 tains—

18 (1) information concerning the adequacy of out-  
19 come data sets to measure State performance with  
20 respect to amounts received by the State under sub-  
21 parts I and II of part B of title XIX of the Public  
22 Health Service Act (as amended by this Act);

23 (2) information concerning the range and types  
24 of performance partnership objectives and measures  
25 utilized by the State under such subparts; and

1           (3) a plan, if determined by the Secretary to be  
 2           feasible after considering information received under  
 3           such subparts, for the implementation of incentive-  
 4           based performance partnership grants that shall in-  
 5           clude a disclosure of public comments.

6       **TITLE       IV—REAUTHORIZATION**  
 7       **OF PROTECTION AND ADVO-**  
 8       **CACY FOR MENTALLY ILL IN-**  
 9       **DIVIDUALS ACT OF 1986**

10   **SEC. 401. SHORT TITLE.**

11       The first section of the Protection and Advocacy for  
 12   Mentally Ill Individuals Act of 1986 (Public Law 99–319)  
 13   is amended to read as follows:

14   **“SECTION 1. SHORT TITLE.**

15       “‘This Act may be cited as the ‘Protection and Advo-  
 16   cacy for Individuals With Mental Illnesses Act’.”.

17   **SEC. 402. REAUTHORIZATION.**

18       Section 117 of the Protection and Advocacy for Indi-  
 19   viduals With Mental Illnesses Act (as amended by section  
 20   401) (42 U.S.C. 10827) is amended by striking “1995”  
 21   and inserting “1999”.

22   **SEC. 403. ALLOTMENT FORMULA.**

23       (a) MINIMUM AMOUNT.—Section 112(a)(2) of the  
 24   Protection and Advocacy for Mentally Ill Individuals Act

1 (as amended by section 401) (42 U.S.C. 10822(a)(2)) is  
2 amended to read as follows:

3 “(2)(A) The minimum amount of the allotment of an  
4 eligible system shall be the product (rounded to the near-  
5 est \$100) of the appropriate base amount specified in sub-  
6 paragraph (B) and the factor specified in subparagraph  
7 (C).

8 “(B) For purposes of subparagraph (A), the appro-  
9 priate base amount—

10 “(i) for American Samoa, Guam, the Marshall  
11 Islands, the Federated States of Micronesia, the  
12 Commonwealth of the Northern Mariana Islands,  
13 the Republic of Palau, and the Virgin Islands, is  
14 \$139,300; and

15 “(ii) for any other State, is \$260,000.

16 “(C) For purposes of subparagraph (A), the factor  
17 specified in this subparagraph is the ratio of the amount  
18 appropriated under section 117 for the fiscal year for  
19 which the allotment is being made to the amount appro-  
20 priation under such section for fiscal year 1995.”.

21 (b) TECHNICAL AMENDMENTS.—Section 112(a) of  
22 such Act (42 U.S.C. 10822(a)) is amended—

23 (1) in paragraph (1)(B), by striking “Trust  
24 Territory of the Pacific Islands” and inserting

1 “Marshall Islands, the Federated States of Microne-  
2 sia, the Republic of Palau”; and

3 (2) by striking paragraph (3).

## 4 **TITLE V—REAUTHORIZATION OF** 5 **CERTAIN INSTITUTES**

### 6 **SEC. 501. REAUTHORIZATION OF CERTAIN INSTITUTES.**

7 (a) NATIONAL INSTITUTE ON ALCOHOL ABUSE AND  
8 ALCOHOLISM.—Section 464H(d)(1) (42 U.S.C.  
9 285m(d)(1)) is amended by striking “for fiscal year 1994”  
10 and inserting “for each of the fiscal years 1994 through  
11 1996”.

12 (b) NATIONAL INSTITUTE ON DRUG ABUSE.—

13 (1) IN GENERAL.—Section 464L(d)(1) (42  
14 U.S.C. 285o(d)(1)) is amended by striking “for fis-  
15 cal year 1994” and inserting “for each of the fiscal  
16 years 1995 and 1996”.

17 (2) MEDICATION DEVELOPMENT PROGRAM.—  
18 Section 464P(e) (42 U.S.C. 285o–4(e)) is amended  
19 by striking “and \$95,000,000 for fiscal year 1994”  
20 and inserting “\$95,000,000 for fiscal year 1994,  
21 and such as may be necessary for each of the fiscal  
22 years 1995 and 1996”.

23 (c) NATIONAL INSTITUTE OF MENTAL HEALTH.—  
24 Section 464R(f)(1) (42 U.S.C. 285p(f)(1)) is amended by

1 striking “for fiscal year 1994” and inserting “for each of  
2 the fiscal years 1994 through 1996”.

## 3 **TITLE VI—TRANSITION PROVI-** 4 **SIONS AND EFFECTIVE DATES**

### 5 **SEC. 601. TRANSITION PROVISIONS AND EFFECTIVE DATES.**

6 (a) OBJECTIVE AND DATA DEVELOPMENT PROC-  
7 ESS.—

8 (1) IN GENERAL.—The Secretary of Health and  
9 Human Services (hereafter referred to in this section  
10 as the “Secretary”) shall develop and implement a  
11 process to—

12 (A) establish a model set of mental health  
13 and substance abuse prevention and treatment  
14 objectives that, to the extent practicable, meet  
15 the requirements of sections 1911 and 1921 of  
16 the Public Health Service Act (as amended by  
17 sections 101(b) and 201(b) of this Act);

18 (B) determine the availability, relevancy,  
19 and sufficiency of data necessary to measure  
20 capacity, process, or outcomes with respect to  
21 such model set of objectives; and

22 (C) establish a plan to improve the avail-  
23 ability, relevancy, and sufficiency of data if the  
24 data sets that are available at the time such

1 process is being developed are determined to be  
2 inadequate.

3 (2) CONSULTATION.—In carrying out para-  
4 graph (1), the Secretary shall consult with rep-  
5 resentatives from State and local governments, In-  
6 dian Tribes, mental health and substance abuse  
7 service providers, consumers and families, research-  
8 ers, and other individuals who have technical rel-  
9 evancy with respect to the development of the proc-  
10 ess under such paragraph.

11 (3) IMPLEMENTATION.—In implementing the  
12 process under paragraph (1), the Secretary may  
13 award a contract to an independent entity for—

14 (A) the conduct of a technical analysis of  
15 the availability, relevancy, and sufficiency of  
16 data sets existing on the date on which such  
17 contract is awarded; and

18 (B) the development of a data strategy if  
19 such existing data sets are determined to be in-  
20 sufficient to measure the model set of mental  
21 health and substance abuse prevention and  
22 treatment objectives developed under paragraph  
23 (1)(A).

24 (b) GENERAL EFFECTIVE DATE.—Except as pro-  
25 vided in subsection (c), this Act shall take effect on the

1 date of enactment of this Act or October 1, 1995, which-  
2 ever occurs later.

3 (c) EXCEPTIONS.—

4 (1) PERFORMANCE PARTNERSHIPS.—The  
5 amendments made by sections 101 and 201 shall  
6 take effect on the date on which the Secretary of  
7 Health and Human Services determines that the  
8 model set of objectives and the data sets described  
9 in subsection (a) have been developed and are suffi-  
10 cient and available to measure process/capacity or  
11 outcomes, but in no event earlier than October 1,  
12 1997.

13 (2) PREPARATION AND NEGOTIATION.—The  
14 Secretary of Health and Human Services may con-  
15 sult with the States, and others, in preparing for the  
16 implementation of the performance partnership  
17 grants under the amendments made by this Act. In  
18 no event shall such Secretary require a State to  
19 begin the negotiation process for the implementation  
20 of a performance partnership grant for a fiscal year  
21 prior to fiscal year 1998.

22 (3) SPECIFIC EFFECTIVE DATES.—Sections 103  
23 and 207 (relating to maintenance of effort), sections  
24 104 and 208 (relating to for-profit eligibility), sec-  
25 tion 203 (relating to tuberculosis and HIV), section



1       204 (relating to group home revolving loan funds),  
2       and section 303 (relating to the additional year for  
3       obligation), shall become effective as if enacted on  
4       October 1, 1994.

5               (4) MANDATORY EXEMPTIONS.—

6               (A) IN GENERAL.—Effective on the date  
7       on which the Secretary of Health and Human  
8       Services determines that the objectives and data  
9       described in subsection (a) have been developed  
10      and are relevant, sufficient, and available to  
11      measure performance in each State, a State  
12      shall be exempt from the requirements de-  
13      scribed in subparagraph (C). If the Secretary  
14      determines, using data with respect to the in-  
15      tended purpose of any such requirement, that  
16      the State has a significant need to improve the  
17      outcomes related to the intended purposes of  
18      any such requirements, the Secretary may re-  
19      quire the State to utilize an objective that ad-  
20      dresses the intended purpose of any such re-  
21      quirement.

22              (B) CONSULTATION PROCESS.—Until the  
23      Secretary makes the determination described in  
24      subparagraph (A), a State shall—

1 (i) comply with the requirements de-  
2 scribed in subparagraph (C); or

3 (ii) select objectives to be measured  
4 that would address the intended purpose of  
5 each of such requirements.

6 (C) REQUIREMENTS.—The requirements  
7 described in this subparagraph are the require-  
8 ments contained in the following:

9 (i) Section 1922(b) (42 U.S.C. 300x-  
10 21) (as amended by this Act), relating to  
11 minimum allocation of funds for services to  
12 pregnant women and women with depend-  
13 ent children.

14 (ii) Section 1923 (42 U.S.C. 300x-  
15 23), relating to whether injecting drug  
16 users have timely access to treatment upon  
17 request.

18 (iii) Section 1924 (42 U.S.C. 300x-  
19 24), relating to requirements related to tu-  
20 berculosis and HIV.

21 (iv) Section 1926 (42 U.S.C. 300x-  
22 26), relating to curtailing the sale of to-  
23 bacco products to persons under the age of  
24 18.

1 (v) Section 1927 (42 U.S.C. 300x–  
2 27), relating to preference in the admission  
3 of pregnant women for treatment.

4 (vi) Section 1929 (42 U.S.C. 300x–  
5 29), relating to the needs assessments.

6 (d) EXISTING PROJECTS.—A project that receives  
7 support for fiscal year 1996, 1997, 1998, or 1999 under  
8 section 506 or 520A of the Public Health Service Act (as  
9 amended by section 108 or 109(2), respectively), and that  
10 previously received support under title V of the Public  
11 Health Service Act for fiscal year 1995, shall be subject  
12 to the requirements to which that project was subject to  
13 for fiscal year 1995 unless the Secretary of Health and  
14 Human Services determines otherwise.

15 (e) WAIVERS.—Notwithstanding any other provision  
16 of this Act, or an amendment made by this Act, the Sec-  
17 retary of Health and Human Services may grant a State  
18 a waiver to permit such State to operate a performance  
19 partnership program prior to fiscal year 1998. Such pro-  
20 grams shall be operated under the requirements described  
21 in the amendments made by sections 101 and 201 and  
22 shall be funded using amounts appropriated for the fiscal  
23 year involved under part B of title XIX of the Public  
24 Health Service Act.



S 1180 IS—2

S 1180 IS—3

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